

**COUNTY OF LOS ANGELES – DEPARTMENT OF MENTAL HEALTH**

**F A C T   S H E E T**

**APPROVAL OF TERMINATION OF THE AGREEMENTS WITH CENTER FOR  
HEALTHY AGING EFFECTIVE UPON MERGER BETWEEN WISE SENIOR  
SERVICES AND  
CENTER FOR HEALTHY AGING APPROVAL OF NEW AGREEMENTS WITH  
WISE & HEALTHY AGING  
(SUPERVISORIAL DISTRICT 3)  
(3 VOTES)**

**REQUEST**

1. Authorize the Director of Mental Health or his designee to effectuate a mutually agreed upon termination of the Department of Mental Health's (DMH) Legal Entity Agreement (LE Agreement) No. MH120200 and DMH Consultant Services Agreement No. MH050018 with Center for Healthy Aging, contingent upon implementation of a mutually agreed upon merger by and between Center for Healthy Aging and WISE Senior Services. The currently anticipated merger effective date is November 1, 2007.
2. Approve and instruct the Director of Mental Health or his designee to prepare, sign, and execute a new DMH LE Agreement with WISE & Healthy Aging for the provision of outpatient mental health services to adult clients, ages 55 years or older residing in Service Area 5. The term of this new LE Agreement will be effective contingent upon the merger, but no sooner than November 1, 2007. The term will include two (2) automatic one-year renewal periods for Fiscal Years (FY) 2008-09 and 2009-10. The Maximum Contract Amount (MCA) for FY 2007-08 will be pro-rated for eight (8) months at \$267,734, based on the FY 2007-08 annualized MCA of \$401,600 for Center for Healthy Aging. The annualized MCA in the amount of \$401,600 for FYs 2008-09 and 2009-10 will be requested during DMH's annual budget process.
3. Approve and instruct the Director of Mental Health or his designee to prepare, sign, and execute a new DMH Consultant Services Agreement with WISE & Healthy Aging for the provision of the Mental Health Services Act (MHSA) Older Adult Certificate Training Program for FY 2007-08, in a Total Compensation Amount (TCA) of \$225,000, fully funded by MHSA Community Services and Supports (CSS) funds. Of the \$225,000, \$200,000 will be used for the Older Adult Certificate Training Program. This program will provide two (2) classes, 96-hours each for 80 students. The \$25,000 will be used for the Service

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Extenders Training Program, which will provide two (2) classes, 12-hours each for 60 students.

4. Delegate authority to the Director of Mental Health or his designee to prepare, sign, and execute future amendments to the LE Agreement and/or Consultant Services Agreement with WISE & Healthy Aging and establish as a new MCA/TCA the aggregate of the original Agreements and all amendments, provided that: 1) the County's total payments to the Contractor under the Agreement for each fiscal year shall not exceed an increase of 20 percent from the applicable revised MCA/TCA; 2) any such increase shall be used to provide additional services or to reflect program and/or policy changes; 3) the Board of Supervisors has appropriated sufficient funds for all changes; 4) approval of County Counsel and the Chief Executive Officer (CEO) or their designee is obtained prior to any such Amendment; 5) the parties may, by written Amendment, reduce programs or services without reference to the 20 percent limitation; and 6) the Director of Mental Health shall notify the CEO's office after execution of the Amendment.

## **PURPOSE/JUSTIFICATION**

To effectuate and implement the merger of WISE Senior Services and Center for Healthy Aging, the recommended actions will allow for the termination of Center for Healthy Aging's DMH LE Agreement No. MH120200 and its DMH Consultant Services Agreement No. MH050018, and the execution of a new LE Agreement and a new Consultant Services Agreement with the new entity, WISE & Healthy Aging.

The Center for Healthy Aging will cease to exist as a separate entity and will be merged into the new entity, WISE & Healthy Aging. It is understood that the merger will not diminish the quantity and quality of services provided separately by Center for Healthy Aging, and that WISE & Healthy Aging will be fiscally responsible for all of Center for Healthy Aging's obligations, past, present, and future. In particular, and without limiting the scope of the financial obligations assumed, WISE & Healthy Aging understands and agrees: (1) that it will be entirely responsible for any and all audit exceptions applied at any time against the previous entity, Center for Healthy Aging, through any of its agreements with County or any Department thereof, whether assessed by Federal, State, or County audit(s); and (2) that these audit exceptions may arise and become payable before and/or after the effective date of the merger and the cessation of existence of Center for Healthy Aging. The parties agree that all applicable review and dispute resolution procedures under the contract at issue shall apply.



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### **CONTRACTORS**

Center for Healthy Aging, through its current contract with DMH, provides an array of mental health services for adults, 55 years and older residing in Supervisorial District 3. The agency has been providing these services since 1991. In-home psychotherapy is available as needed for eligible clients. The service delivery site remains at 1527 4<sup>th</sup> Street, Second Floor, Santa Monica, CA 90401.

The treatment components offered by Center for Healthy Aging under the DMH LE Agreement include:

- targeted case management services
- outpatient mental health services
- medication support
- crisis intervention

In addition, Center for Healthy Aging has a separate MHSA Consultant Services Agreement in the amount of \$225,000, of which \$200,000 is allocated to the provision of a comprehensive Older Adult certificated training program and \$25,000 is allocated to provide training to Service Extenders. The Older Adult training curriculum addresses the unique developmental, physical, social and emotional needs of older adults, ages 60 and above. This training will enable clinicians to appropriately evaluate, assess, diagnose and treat the serious mental health disorders commonly found in this population. The Service Extender training program that will be offered in English and Spanish will train people to be knowledgeable and sensitive to the unique needs and challenges faced by older adults and will establish a network of Service Extenders who will be part of interdisciplinary teams that will provide services to older adults in clinic settings, in homes, and in community locations often preferred by older adults.

WISE Senior Services headquarters remains at the same location of 1527 4<sup>th</sup> Street, Second Floor, Santa Monica, CA 90401, in Los Angeles County. WISE Senior Services is a nonprofit, social services organization which provides comprehensive social services for older adults with roots dating back to 1968. Services have been delivered under the current business name since 1988. WISE Senior Services delivers an array of social services to older adults. These services include:

- adult day care
- case management
- long-term care Ombudsman

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- elder abuse prevention
- transportation and mobility program
- retired and senior volunteer opportunities

The proposed merger of Center for Healthy Aging with WISE Senior Services will result in administrative and service delivery efficiencies that will benefit the communities and clients currently being served by Center for Healthy Aging. Center for Healthy Aging will benefit from WISE's substantial investment in systems and infrastructure and from economies of scale. The consolidation of administrative functions will include streamlining of tasks and elimination of redundant administrative positions that result from this proposed merger. This streamlining of administrative overhead and elimination of redundancy will result in a shift of available resources to increase service delivery capacity without additional net County cost. Finally, the proposed merger creates the opportunity to bring WISE Senior Service's expertise in a wide range of innovative support services designed to meet the needs of a diverse clientele in Los Angeles County.

The new LE Agreement with WISE & Healthy Aging will be effective upon the merger, but no sooner than November 1, 2007, with two (2) automatic one-year renewal periods for FYs 2008-09 and 2009-10. After the proposed merger, WISE & Healthy Aging will continue to deliver the same array of services at the Medi-Cal certified site currently used by Center for Healthy Aging. This will minimize any unintended consequences related to continuity of care for clients and service delivery staff.

The new Consultant Services Agreement with WISE & Healthy Aging will be effective upon the merger, but no sooner than November 1, 2007 through June 30, 2008.

## **CONTRACTING PROCESS**

To comply with your Board's policy on Contractor Mergers/Acquisitions adopted on December 13, 2005, DMH worked closely with: 1) WISE Senior Services, 2) Center for Healthy Aging, 3) Department of Community and Senior Services (DCSS), 4) County Counsel, and 5) CEO to utilize the criteria established in the policy in the review and analysis of the proposed merger between Center for Healthy Aging and WISE Senior Services and its impact upon the contractual relationship with the County of Los Angeles.

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